



Department of Justice

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JUSTICE DEPARTMENT AND CALIFORNIA ATTORNEY GENERAL'S OFFICE
REACH AGREEMENT WITH WELLS FARGO FOR \$2.54 BILLION
DIVESTITURE IN CALIFORNIA

WASHINGTON, D.C. -- The Department of Justice and the California Attorney General's Office jointly announced today that they had cleared Wells Fargo & Company's approximately \$10.3 billion acquisition of First Interstate Bancorp, after the bank agreed to divest 61 branch offices in California involving about \$2.54 billion in deposits. The Department's Antitrust Division conducted a joint investigation with the California Attorney General's Office.

The banks agreed to divest 61 First Interstate branch offices in California in order to resolve concerns of the Division and the California Attorney General's Office that the Wells' acquisition would lessen competition for banking services available to small and medium-sized businesses in almost 30 separate bank markets. The divestiture package is among the largest the Antitrust Division has required.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "Wells' acquisition of First Interstate presented a significant risk to competition for business banking services in numerous California markets. These divestitures will preserve competition by making branches and

branch networks available to serve the needs of local business communities."

The branches to be divested include 14 in the San Diego market, nine in the Sacramento market, and five in the Bakersfield market, totalling approximately \$1.4 billion in deposits. An additional 33 branches will be divested in areas covering northern California, the Central Valley and southern California.

Bingaman said that the agreement also exemplified the close cooperation between federal and state antitrust enforcement agencies which this administration has emphasized.

Dan Lungren, the Attorney General for the State of California, praised the close and productive interaction of the staffs as an example of how federal and state cooperation can be used to investigate acquisitions that would cause a reduction in competition in local communities.

The Department said it will advise the Federal Reserve Board that, subject to the sale of the branch offices to competitively suitable purchasers, the Department will not challenge the acquisition.

Wells Fargo is based in San Francisco and has more than 860 offices in California with about \$39 billion in deposits and \$51 billion in total assets.

First Interstate is based in Los Angeles and has more than 1,000 offices in California and 12 other western and northwestern states -- Wyoming, Montana, Colorado, Arizona, Alaska, Idaho, Nevada, New Mexico, Oregon, Texas, Utah and Washington with about

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\$48.2 billion in total deposits and over \$55 billion in total assets. In California, First Interstate has about 400 branches.

The proposed acquisition of First Interstate by Wells Fargo is subject to the approval of the Federal Reserve Board.

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